

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE HOPKINSVILLE	)	
WATER ENVIRONMENT AUTHORITY'S	)	CASE NO.
WHOLESALE RATE TO CHRISTIAN COUNTY	)	2003-00087
WATER DISTRICT	)	

ORDER

On December 17, 2003, the Commission issued an Order in this proceeding approving the Settlement Agreement between the Christian County Water District ("Christian County") and the Hopkinsville Water Environment Authority ("Hopkinsville") on the rate to be charged by Hopkinsville for wholesale water service. The Commission included a finding in the Order stating that:

Any future modifications to the 1973 Wholesale Water Supply Contract, as amended through September 1, 1994, that have not been approved by the Commission should be submitted to the Commission for approval. If they are not submitted within 30 days of the date of this Order, they shall be void. Any future modifications to the approved 1973 Wholesale Water Supply Contract that is on file with the Commission must not be implemented until approved by the Commission.

On January 16, 2004, Christian County submitted a "Memorandum Agreement Between Christian County Water District and Hopkinsville Water Environment Authority" that provides for (1) extension of the contract between the parties for 42 additional years, (2) a cap of 2 million gallons per day or 49 million gallons per month on the water purchases, (3) a requirement that Christian County provide written notice to Hopkinsville before any major line extensions are installed, (4) a prohibition against the sale by Christian County of wholesale water without the written approval of Hopkinsville, and (5) a pledge between the parties to cooperate in the planning of new facilities in order to

avoid duplication of facilities. The agreed amendments were to the Water Purchase Contract executed June 28, 1973 and its subsequent amendments.

As of the date of this Order, no other amendments to the Water Purchase Contract of June 28, 1973, except as approved by the Commission in its Order of December 17, 2003, have been submitted for Commission approval. Given that the 30 days provided in the December 17, 2003 Order for filing new amendments to the contract have expired, it is the finding of the Commission that all other amendments to the contract not specifically approved in the December 17, 2003 Order and this Order are void.

The five amendments contained in the agreement between Christian County and Hopkinsville dated January 8, 2004 are necessary and appropriate and should be approved.

IT IS THEREFORE ORDERED that:

1. The provisions contained in the Agreement, attached as Appendix A, are approved.
2. Any amendments to the June 28, 1973 contract not specifically approved by the December 17, 2003 Order or herein are null and void.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of February, 2004.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2003-00087 DATED FEBRUARY 6, 2004

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PUBLIC SERVICE  
COMMISSION

**MEMORANDUM AGREEMENT BETWEEN  
CHRISTIAN COUNTY WATER DISTRICT AND  
HOPKINSVILLE WATER ENVIRONMENT AUTHORITY**

THIS MEMORANDUM AGREEMENT by and between the Christian County Water District (CCWD) and Hopkinsville Water Environment Authority (HWEA) made and entered into this 8<sup>th</sup> day of January, 2004, at Hopkinsville, Christian County, Kentucky;

**WITNESSETH:**

WHEREAS, pursuant to a Water Purchase Contract executed June 28, 1973, and its subsequent amendments, the CCWD purchases from HWEA bulk water for resale; and

WHEREAS, the parties, CCWD and HWEA, have agreed to five additional items supplementing the 1973 Water Purchase Contract and its amendments, to be followed in carrying out the general purposes thereof, in an effort to simplify and guarantee to each other certain general principles affecting future operations of the respective two entities, as contemplated by the basic contract.

NOW, THEREFORE, by and in consideration of the mutual promises, assurances, and agreements of each of the parties, to the other, as set forth herein, the parties do hereby further agree to perform and to be bound by the following

additional provisions:

(1) Hopkinsville Water Environment Authority hereby extends the existing term of the contract between the parties for 42 additional years, commencing and running from the date of this memorandum agreement (contract extension through January, 2046);

(2) HWEA agrees to furnish CCWD such quantities of water in the future as may be required by the CCWD to carry out its operations, including desired extensions, not to exceed in all two million gallons per day, nor forty nine million gallons per month, exclusive of the amount of water transported by CCWD's transmission mains to the Crofton Water System, which is owned and operated by HWEA;

(3) That the CCWD shall provide written notice to HWEA before commencing the installation of any major line extension. Notice shall be provided no later than the date that the CCWD submits its plans to the Kentucky Division of Water for approval of the line extension;

(4) That the CCWD shall not wholesale any water sold or provided to it by HWEA without the prior written approval of HWEA, which approval shall not be unreasonably withheld by HWEA; and

(5) That in an effort to coordinate the planning and to minimize duplication of facilities, both the CCWD and HWEA hereby pledge to cooperate, and

to exchange information and communicate with each other regarding future projects.

This Memorandum Agreement shall be binding upon each of the parties hereto and their successors, and assigns.

WITNESS the hands of the respective parties hereto the day and year shown below.

HOPKINSVILLE WATER  
ENVIRONMENT AUTHORITY

By: RC Carter CHAIR, Title

Subscribed, sworn to, and acknowledged before me by Hopkinsville Water Environment Authority, by Robert C. Carter, Chairman, this 8th day of January, 2004.

My commission expires 7-13-2007.

Crystal D. Alexander  
Notary Public

CHRISTIAN COUNTY WATER DISTRICT

By: William J. [Signature]  
Chairman, Title

Subscribed, sworn to, and acknowledged before me by Christian County

Water District by William Lile, Chairman, this 8<sup>th</sup> day  
of January, 2004.

My commission expires November 18, 2005.

Ollie M. Futrell  
Notary Public

This instrument was prepared by

John P. Kirkham  
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